

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 556 - SB 651**

March 9, 2015

**SUMMARY OF BILL:** Authorizes the Department of Safety (DOS) to develop a secure and uniform system for authorizing persons to present or submit evidence of a driver license in an optional electronic format in lieu of a physical driver license. Established that an acceptable electronic format will include display of electronic images on a cellular phone or any other type or portable electronic device. Prohibits DOS from charging a fee to participate in the electronic driver license system and authorizes the department to accept donations and grants from any source to pay the expenses incurred for the development of the system.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent the Department of Safety elects to develop and implement an electronic driver license program as a direct result of this bill, one-time costs for development and implementation could reasonably exceed \$100,000. The extent of any grant funding or donations received for this purpose is unknowable. Any costs not covered by grant funding or donations would have to be paid through an appropriation of funds from the General Fund. Alternatively, it is also reasonable to think that, in the future even in the absence of this bill, the Department of Safety might pursue such a change in the normal course of operations.**

Assumptions:

- This bill authorizes DOS, but does not require the development of an electronic driver license program.
- DOS reports it is difficult to provide an assessment of the fiscal impact of an electronic driver license system and mobile software application as this is very new technology.
- DOS indicates that the current vendor that produces Tennessee's driver license cards was consulted regarding the implementation of an electronic driver license system. They explained that it is difficult to provide a budgetary estimate on providing a digital (electronic) driver license program given this technology has not been implemented in any other states.
- DOS reports that acquiring funding sources for the implementation of an electronic driver license system is a challenge, as there are currently no known grants available to states for the implementation of an electronic driver license system.
- Given the scale of developing a state wide electronic driver license system and mobile software application, that would have to be useable by multiple end users, the one-time cost for any such development could reasonably exceed \$100,000.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly distinguishable.

Jeffrey L. Spalding, Executive Director

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